



California Infrastructure and Economic Development Bank

ANNUAL ACTIVITY REPORT

FOR

FISCAL YEAR 2004/2005

CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK

I-BANK
ANNUAL ACTIVITY REPORT
FISCAL YEAR 2004/2005

INTRODUCTION

This report is submitted in accordance with Government Code Section 63035, which requires the California Infrastructure and Economic Development Bank (I-Bank) to submit to the Governor and the Joint Legislative Budget Committee an accounting of its activities for the preceding fiscal year. Specifically, the report includes all of the following:

- (a) A listing of applications accepted, including a description of the expected employment impact of each project.
- (b) A specification of loans approved and bonds sold, and interest rates thereon.
- (c) The amount of other public and private funds leveraged by the assistance provided.
- (d) A report of revenues and expenditures for the preceding fiscal year, including all of the I-Bank's costs.
- (e) A projection of the I-Bank's needs and requirements for the coming year.
- (f) Recommendations for changes in state and federal law necessary to meet the objectives of this division.

SUMMARY

The I-Bank's mission is to finance public infrastructure and private development that promote economic growth, revitalize communities and enhance the quality of life throughout California. The I-Bank's primary programs include various revenue bond financing programs that provide tax-exempt revenue bond financing for manufacturing companies, nonprofit organizations, public agencies and other entities eligible for tax-exempt financing, and the Infrastructure State Revolving Fund (ISRF) Program, which provides low-cost financing to public agencies for a variety of infrastructure projects.

During the 2004/2005 fiscal year the I-Bank issued \$2,465,635,000 of revenue bonds, including nine 501(c)(3) revenue bonds totaling \$816,030,000, two industrial development revenue bonds

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totaling \$9,100,000, one revenue bond and one commercial paper program for public agencies totaling \$436,955,000, one worker's compensation relief bond totaling \$750,000,000, and one exempt facility bond totaling \$453,550,000. Revenue bonds issued by the I-Bank are payable solely from the revenues of the underlying borrower, and are neither backed nor guaranteed by either the State or the I-Bank.

During the same timeframe covered by this report, the I-Bank approved eight ISRF Program loans (two of which were increases to previously approved loans) totaling \$26,962,000 for local government entities throughout the State for critically needed infrastructure projects.

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ACTIVITIES DURING FISCAL YEAR 2004/2005

The following is a summary of I-Bank activities for the 2004/2005 fiscal year:

(a) Listing of applications accepted, including a description of the expected employment impact of each project.

For the ISRF Program, the I-Bank accepted twenty new preliminary applications and eight new financing applications. The I-Bank also accepted two new preliminary applications and thirteen applications for revenue bond financing. A listing of these applications is contained in Appendix 1. Expected public benefits and employment projections for approved projects are contained in Appendix 2.

(b) Specification of loans approved and bonds sold, and interest rates thereon.

The I-Bank approved eight loans through the ISRF Program totaling \$26,962,000 and completed the issuance of fifteen revenue bonds totaling \$2,465,635,000¹. Appendix 2 contains a listing of the loans approved and bonds sold during this period, and includes other project information such as project locations, interest rates, information on other public benefits and projected employment impact.

(c) Amount of other public and private funds leveraged by the assistance provided.

The \$26,962,000 of loans approved through the ISRF Program will leverage approximately \$40,578,591 of other public and private funds. Revenue bonds issued will leverage approximately \$271,684,924 of other public and private funding sources.

(d) A report of revenues and expenditures for the preceding fiscal year, including all of the I-Bank's costs.

During the 2004/2005 fiscal year, the I-Bank realized total revenues of \$11,055,449 which included interest on loan repayments, investment income, and administration fee revenue, and total operating expenses of \$3,650,998 which included program support expenses, interest on bond debt, and amortization of bond issuance costs. Operating income for the year was

¹ Applications for several bonds approved in the 2004/2005 fiscal year were submitted in the prior fiscal year.

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\$7,404,451. See Appendix 3 for the Statement of Revenues, Expenses, and Changes in Net Assets from the I-Bank's audited financial statements for the year ended June 30, 2005.

(e) A projection of the I-Bank's needs and requirements for the coming year.

The Business, Transportation and Housing Agency will not seek any new positions for the I-Bank for the 2005/2006 fiscal year.

(f) Recommendations for changes in State and Federal law necessary to meet the objectives of this division.

The I-Bank does not recommend any changes in State or Federal law at this time.

APPENDICES

- 1: Listing of Applications Received
- 2: Listing of Loans Approved and Bonds Sold
- 3: Statement of Revenues, Expenditures and Changes in Net Assets

Appendix 1
Listing of Applications Received
Fiscal Year 2004/2005

Name of Applicant	Project Location	Type of Application²	Type of Financing³	Proposed Project Description	Amount Requested
City of La Verne	La Verne	Preliminary	ISRF	Public safety building remodel and additions	\$10,000,000
City of Claremont	Claremont	Preliminary	ISRF	Construction of public parking facility	\$4,000,000
City of Shasta Lake	Shasta Lake	Preliminary	ISRF	Water system capital improvements	\$5,000,000
County of San Luis Obispo	San Luis Obispo CSA 7A-Oak Shores	Preliminary	ISRF	Expansion of wastewater disposal system	\$640,000
City of Madera	Madera	Preliminary	ISRF	Wastewater treatment plant improvements	\$10,000,000
Nevada County Sanitation District No. 1	Lake of the Pines	Preliminary	ISRF	Wastewater treatment plant improvements	\$5,000,000
City of Colusa	Colusa	Preliminary	ISRF	Wastewater treatment plant improvements	\$7,730,000
Alegary Foodservice Products	Santa Fe Springs	Preliminary	IDB	Finance the acquisition of an existing building situated on approximately 5.05 acres	\$6,700,000
The Redevelopment Agencies of the City and County of Sacramento	Sacramento	Preliminary	ISRF	Construction of the Stockton Boulevard streetscape enhancements	\$4,000,000
City of Porterville	Porterville	Preliminary	ISRF	Water system capital improvements	\$8,500,000
Airflow Research Heads, Inc	Paso Robles	Preliminary	IDB	Acquisition of two parcels of land and an existing or to be developed building, and the acquisition and installation of new production equipment.	\$3,250,000
Tulare County Redevelopment Agency	Richgrove	Preliminary	ISRF	Construction of roadway, storm drainage and recreation property improvements	\$5,000,000

² "Preliminary" means Preliminary Application. "Application" means a final Financing Application.

³ "ISRF" mean Infrastructure State Revolving Fund Program financing. "IDB" means Industrial Development Revenue Bond, 501(c)(3) means Qualified 501(c)(3) Revenue Bond.

Appendix 1
Listing of Applications Received
Fiscal Year 2004/2005

Name of Applicant	Project Location	Type of Application ²	Type of Financing ³	Proposed Project Description	Amount Requested
The Redevelopment Agency of the City of Sacramento	Sacramento	Preliminary	ISRF	Construction of Del Paso Blvd. streetscape improvements	\$4,221,000
City of Sacramento	Sacramento	Preliminary	ISRF	Construction of 65 th Street and Broadway detention basin	\$3,200,000
Nevada County Sanitation District No. 1	Cascade Shores	Preliminary	ISRF	Wastewater treatment plant improvements	\$493,000
County of Mendocino	Ukiah	Preliminary	ISRF	Construction of main jail expansion	\$1,500,000
City of Willows	Willows	Preliminary	ISRF	Wastewater treatment plant improvements	\$2,574,328
Santa Maria Public Airport District	Santa Maria	Preliminary	ISRF	Airport terminal building expansion	\$3,000,000
Santa Maria Public Airport District	Santa Maria	Preliminary	ISRF	Construction of business park backbone infrastructure	\$5,689,000
City of El Segundo	El Segundo	Preliminary	ISRF	Construction of the Douglas Street gap closure	\$10,000,000
Nevada County Sanitation District No.1	Lake Wildwood	Preliminary	ISRF	Wastewater treatment plant improvements	\$5,000,000
City of San Bernardino	San Bernardino	Preliminary	ISRF	Construction of street repaving and rehabilitation improvements	\$10,000,000
TOTAL PRELIMINARY APPLICATIONS					\$115,497,328
J. Paul Getty Trust	Los Angeles	Application	501(c)(3)	Current refund \$95,645,000 of outstanding Certificates of Participation which financed a portion of the construction and improvement costs of certain facilities located at the Getty Center.	\$96,000,000

Appendix 1
Listing of Applications Received
Fiscal Year 2004/2005

Name of Applicant	Project Location	Type of Application ²	Type of Financing ³	Proposed Project Description	Amount Requested
County of Siskiyou	Yreka	Application	ISRF	Construction of new county juvenile detention hall	\$2,000,000
Mendocino City Community Service District	Mendocino	Application	ISRF	Wastewater treatment plant improvements	\$650,000
California Independent System Operator	Folsom and Alhambra	Application	501(c)(3)	Finance a portion of the costs of acquiring computer hardware and software systems and other facility improvements	\$127,000,000
City of Brawley	Brawley	Application	ISRF	Wastewater treatment plant improvements	\$1,000,000
Pacific Gas & Electric	Sonoma, Lake & San Luis Obispo Counties	Application	Exempt Facility Revenue Bonds	Repay loans that were made by institutional lenders to reimburse certain banks that had provided letters of credit in support of prior bond issues by California Pollution Control Financing Authority in 1996 and 1997	\$453,550,000
Humane Society of Sonoma County	Santa Rosa	Application	501(c)(3)	Reimburse cost of design, development, construction and installation of facility	\$5,000,000
Nature Kist Snacks	Stockton	Application	IDB	Purchase land and existing building, and purchase and installation of new equipment	\$3,100,000
The Colburn School	Los Angeles	Application	501(c)(3)	Finance the construction, furnishing and equipping of a 16-story building, including a library, performance lab, rehearsal hall, studios, classrooms, practice rooms, a cafeteria, a dormitory and parking facilities related thereto	\$130,000,000
Asian Art Museum Foundation	San Francisco	Application	501(c)(3)	Refund bonds issued by I-Bank in 2000.	\$125,000,000
City of Shasta Lake	Shasta Lake	Application	ISRF	Water system capital improvements	\$5,000,000
The Scripps Research Institute	La Jolla	Application	501(c)(3)	Finance a portion of the purchase price of an existing building and to current refund a portion of outstanding Series 1994A Revenue Bonds	\$55,000,000

Appendix 1
Listing of Applications Received
Fiscal Year 2004/2005

Name of Applicant	Project Location	Type of Application²	Type of Financing³	Proposed Project Description	Amount Requested
Alegary Foodservice Products	Santa Fe Springs	Application	IDB	Finance the acquisition of an existing building situated on approximately 5.05 acres	\$6,700,000
California Academy of Sciences	San Francisco	Application	501(c)(3)	Finance a portion of the development and construction costs associated with the Academy's renovation	\$120,000,000
Goodwill Industries of Orange County	Santa Ana	Application	501(c)(3)	Relocation and expansion of buildings, including site improvements and required side-street beautification.	\$7,140,000
American Red Cross	Pomona	Application	501(c)(3)	Refinance the acquisition of an existing building and finance related building improvements	\$45,000,000
Southern California Public Radio	Pasadena	Application	501(c)(3)	Refinance the acquisition of property and improvements, the design, development, construction, rehabilitation and remodel of an existing building, and the acquisition of equipment and furnishings	\$15,000,000
City of El Segundo	El Segundo	Application	ISRF	Construction of the Douglas Street gap closure	\$10,000,000
City of Laguna Beach	Laguna Beach	Application	ISRF	Sewage collecting and treatment improvements	\$3,000,000
The Redevelopment Agencies of the City and County of Sacramento	Sacramento	Application	ISRF	Construction of the Stockton Boulevard Streetscape Enhancements	\$4,000,000
TOTAL APPLICATIONS					\$1,214,140,000

Appendix 2
Report of Loans Approved and Bonds Sold
Fiscal Year 2004/2005

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Employment Impact) ⁴	Financing Amount	Leverage
Orange County Performing Arts Center	Costa Mesa	501(c)(3)	Variable	Finance the construction of a 2000-seat concert hall, 500-seat music theater, and an education center.	The project will create an arts complex of international significance that will serve the citizens of Orange County and Southern California for generations. Additionally, once the project is completed, it is anticipated that an additional 650,000 young people will be able to participate in a Center-sponsored education initiative each year. The project is estimated to create approximately \$148,427,045 in construction payroll and 3,144 construction jobs on a person year basis.	\$180,000,000	\$0
County of Siskiyou	Yreka	ISRF	3.22%	Construction of a 22,000 square foot, 40 bed juvenile detention hall on six acres of County-owned land. The project will replace the existing 24-bed substandard detention facility.	The project will provide essential public safety services critical for the County. The project will provide rehabilitation services to youths who will work on community service projects such as helping non-profits throughout the County, and beautifying County-owned property. The project is estimated to create approximately \$1,379,300 in construction payroll and 53 construction jobs on a person year basis.	\$2,000,000	\$5,398,498

⁴ Estimated construction payroll is calculated at 20% of total project construction costs (the average of receipts-to-payroll for the construction industry). Construction jobs are calculated on a person year basis rather than on a permanent basis by dividing the estimated construction payroll by the average annual wage for construction in the county in which the Project is located. County level construction wage data was obtained from the Employment Development Department's website at www.calhhs.ca.gov. As of the date of preparation of this report, construction wage data was not available for fiscal year end 2005. As such, county construction wage data for calendar year 2004 was used to calculate estimated construction jobs created.

Appendix 2
Report of Loans Approved and Bonds Sold
Fiscal Year 2004/2005

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Employment Impact) ⁴	Financing Amount	Leverage
California Youth Theatre	Los Angeles	501(c)(3)	5%	Refinance several loans incurred to purchase and rehabilitate the Ivar Theater, which is the main venue upon which CYT's performances are held.	The project will assist with the enhancement of the Ivar Theater, reduce debt service costs and pay off short-term loans. The reduced debt service costs will also help enhance the performing arts programs and performances, and allow them to reach and serve additional at-risk youth. The project is estimated to create approximately \$340,000 in construction payroll and 8 construction jobs on a person year basis.	\$975,000	\$30,000
California Youth Theatre	Los Angeles	501(c)(3)	9.75%	Refinance several loans incurred to purchase and rehabilitate the Ivar Theater, which is the main venue upon which CYT's performances are held.	Same as above.	\$525,000	\$0
California Insurance Guarantee Association	Statewide	Worker's Compensation Relief Bonds	3.99% TTC ⁵	Replenish CIGA's workers' compensation account with enough funds to continue paying covered claims in a timely fashion, as more than 70,000 families depend upon the workers' compensation payments it provides.	The project will replenish CIGA's worker's compensation account with enough funds to continue paying covered claims in a timely fashion. Without issuance of the bonds, CIGA projects would be unable to meet its obligations to pay workers' compensation benefits in the second half of 2004. It is critical that CIGA remain capitalized, as more than 70,000 families depend upon the workers' compensation payments it provides.	\$400,000,000	\$32,848,826

⁵ "TTC" means true interest cost.

**Appendix 2
Report of Loans Approved and Bonds Sold
Fiscal Year 2004/2005**

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Employment Impact) ⁴	Financing Amount	Leverage
California Insurance Guarantee Association	Statewide	Worker's Compensation Relief Bonds	Variable	Replenish CIGA's workers' compensation account with enough funds to continue paying covered claims in a timely fashion, as more than 70,000 families depend upon the workers' compensation payments it provides.	The project will replenish CIGA's worker's compensation account with enough funds to continue paying covered claims in a timely fashion. Without issuance of the bonds, CIGA projects would be unable to meet its obligations to pay workers' compensation benefits in the second half of 2004. It is critical that CIGA remain capitalized, as more than 70,000 families depend upon the workers' compensation payments it provides.	\$350,000,000	\$0
Los Osos Community Services District	Los Osos	ISRF	3.05%	Water system improvements including: the development of water supply wells, the expansion of a pressure zone, water main upgrades, and administration/operation's facility upgrade.	The project will improve the quality of life in the District by increasing water service pressure, which is currently below American Water Works Association requirements. The additional water pressure will also bring the District into conformity with fire flow requirements. The two new wells will provide sufficient operational and emergency storage and the required fire flow storage to meet the highest fire flow demand. The project is estimated to create approximately \$741,750 in construction payroll and 19 construction jobs on a person year basis.	\$5,000,000	\$311,183
City of Brawley	Brawley	ISRF	2.62%	Install additional treatment plant piping and pump equipment, which will allow wastewater to be recycled among the existing five ponding basins. These improvements will provide a temporary solution to an ammonia problem.	This augmentation to an existing loan will enable the City to temporarily solve an ongoing ammonia problem through the installation of additional piping, and avoid polluting the New River. The project is estimated to create approximately \$821,500 in construction payroll and 5 construction jobs on a person year basis.	\$1,000,000	\$7,315,770

**Appendix 2
Report of Loans Approved and Bonds Sold
Fiscal Year 2004/2005**

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Employment Impact) ⁴	Financing Amount	Leverage
Mendocino City Community Services District	Mendocino	ISRF	3.05%	Purchase and installation of a biosolids dehydration unit and the construction of a building to house the unit.	The project reduces the need to transport partially treated biosolids 150 miles for disposal. This will reduce the risk of hazardous waste spills and reduce operating costs. The project is estimated to create approximately \$155,000 in construction payroll and 5 construction jobs on a person year basis.	\$650,000	\$176,120
Placer County Redevelopment Agency	Kings Beach	ISRF	3.05%	Construction of a public parking lot located adjacent to a downtown commercial corridor and nearby recreational area.	The project will provide a much-needed parking lot at Kings Beach near Tahoe City, a town that relies heavily on tourism. Lack of adequate parking has long been a major deterrent to business retention, expansion and attraction. The project is the first of the new/replacement parking that will be constructed. In addition, the project is estimated to create approximately \$43,387 in construction payroll and 1 construction job on a person year basis.	\$312,000	\$292,070
J. Paul Getty Trust	Los Angeles	501(c)(3)	Variable	Current refund \$95,645,000 of outstanding Certificates of Participation which financed a portion of the construction and improvement costs of certain facilities located at the Getty Center.	The project will lower the Getty's borrowing costs and free up more money for grants and other Trust endeavors. The Getty attracts approximately 1.3 million visitors per year, including 65,000 school children, provides approximately \$15 million of grants worldwide and employs approximately 1,400 people. The cost savings associated with the refunding bonds is estimated to be approximately \$13.87 million in total cash flow.	\$96,000,000	\$4,570,154

**Appendix 2
Report of Loans Approved and Bonds Sold
Fiscal Year 2004/2005**

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Employment Impact) ⁴	Financing Amount	Leverage
Michael A. Galardo and Cynthia J. Galardo, as Trustees of The Galardo Family Trust	Chino	IDB	Variable	Finance the purchase of land, a new building, and the purchase & installation of new equipment.	The project is estimated to create 33 net new jobs statewide within two years of completion, and retain approximately 118 existing positions. The project is estimated to create approximately \$1,200,000 in construction payroll and 31 construction jobs on a person year basis.	\$6,000,000	\$1,300,000
Humane Society of Sonoma County	Santa Rosa	501(c)(3)	Variable	Reimburse the cost of the design, development, construction and installation of a new facility.	This project finalizes a transition that began in 1998 with a commitment by HSSC to remove itself from the animal control business in order to concentrate on pet adoption, shelter veterinary care, humane investigations, education, and spaying and neutering - all to curb pet overpopulation and provide a safe and nurturing shelter and sanctuary. Moreover, the project will assist HSSC in their goal of turning Sonoma County into a community where every adoptable animal finds a loving permanent home.	\$4,600,000	\$3,300,000
California Independent System Operator	Folsom and Alhambra	501(c)(3)	Variable	Finance a portion of the costs of acquiring computer hardware and software systems and other facility improvements.	The project will help facilitate the reliable and efficient operation of the wholesale electric market necessary to further the goal of providing a low-cost and stable electric power supply in the State, which is vital to the interests of all Californians who depend on electricity for their residential and business needs. The project is estimated to create approximately \$109,920,042 in construction payroll and 2,619 construction jobs on a person year basis.	\$124,100,000	\$0

**Appendix 2
Report of Loans Approved and Bonds Sold
Fiscal Year 2004/2005**

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Employment Impact) ⁴	Financing Amount	Leverage
Medrano Properties LLC	Stockton	IDB	Variable	Finance the purchase of land and existing building, and the purchase and installation of new equipment.	The project is estimated to create 44 net new jobs statewide within two years of project completion.	\$3,100,000	\$1,255,000
Asian Art Museum Foundation of San Francisco	San Francisco	501(c)(3)	Variable	Refunding of bonds issued by I-Bank in 2000.	The project is expected to save the Foundation over \$7.8 million on a present value basis. The Museum draws in excess of 500,000 visitors per year, contributing significantly to the estimated \$6.5 billion in tourism dollars spent annually by visitors traveling to San Francisco.	\$120,400,000	\$0
The Scripps Research Institute	La Jolla	501(c)(3)	4.44% TIC	Finance a portion of the purchase price of an existing building and to current refund a portion of outstanding Series 1994A Revenue Bonds.	The project will result in future cost savings that will be passed on to all grantors in the form of lower reimbursable indirect costs. The savings are estimated to be approximately \$3,232,366 on a present value basis, or 14.62% of the refunded par amount. The aggregate debt service savings through 2018 is estimated to be approximately \$4,306,460.	\$44,430,000	\$11,267,350
California Academy of Sciences	San Francisco	501(c)(3)	Variable	Finance a portion of the development and construction costs associated with the Academy's renovation.	The project will provide low-cost funds for the renovation of the Academy, which when completed in its entirety, will ensure that the Academy remains a cultural and educational cornerstone of the community. Historically, approximately 750,000 people visited the Academy annually in Golden Gate Park. The project is estimated to create approximately \$87,562,582 in construction payroll and 1,531 construction jobs on a person year basis.	\$115,000,000	\$207,000,000

**Appendix 2
Report of Loans Approved and Bonds Sold
Fiscal Year 2004/2005**

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Employment Impact) ⁴	Financing Amount	Leverage
City of Shasta Lake	Shasta Lake	ISRF	3.03%	Construction of a 2.9 million gallon water storage reservoir, installation of approximately 9,600 feet of water transmission mains, raw water pump station improvements and expansion of the existing water treatment plant.	The project will contribute to a reliable and safe drinking water service and increased fire flow capabilities. The project is estimated to create approximately \$906,400 in construction payroll and 25 construction jobs on a person year basis.	\$5,000,000	\$385,500
California Department of Transportation	Bay Area	Bay Area Toll Bridge Seismic Retrofit Commercial Paper Notes	Variable	Finance a portion of the cost of the seismic retrofitting of the seven State-owned bridges located in the San Francisco-Oakland Bay Area, authorized by Chapter 907, Statutes of 2001 (AB 1171).	The project will help protect California citizens and its economy from the negative repercussions resulting from future earthquakes. The project will also restore 3,300 acres of former navy property on Skaggs Island, equal to 3 Golden Gate parks. The project is estimated to create approximately \$232,087,000 in construction payroll and 4,258 construction jobs on a person year basis.	Up to \$400,000,000	\$0
The Colburn School	Los Angeles	501(c)(3)	Variable	Finance the construction, furnishing and equipping of an approximately 384,000 square foot, 16-story building, which includes a library, performance lab, rehearsal hall, studios, classrooms, practice rooms, a cafeteria, a dormitory and parking facilities related thereto.	The project will provide for the growth of Colburn's community performing arts programs in the years to come as well as expansion into new programs and will improve the quality of life for Los Angeles' growing population and many visitors each year. The project is also expected to provide for an increase in total annual School payroll from approximately \$3.1 million to an estimated \$8.0 million in 2010. The project is estimated to create approximately \$110,282,975 in construction payroll and 2,525 construction jobs on a person year basis.	\$130,000,000	\$0

**Appendix 2
Report of Loans Approved and Bonds Sold
Fiscal Year 2004/2005**

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Employment Impact) ⁴	Financing Amount	Leverage
California Energy Resources Conservation and Development Commission*	Statewide	Energy Efficiency Revenue Bonds	4.08% TIC	Provide additional funds for the Energy Commission's Energy Efficiency Revolving Loan Program.	This project will enable the Energy Commission to continue to provide low-cost loans to qualifying local agencies and public schools for energy conservation projects, including heating, ventilating, air conditioning, equipment controls, small cogeneration and photovoltaic systems.	\$36,955,000	\$10,113,594
Pacific Gas & Electric	Sonoma, Lake & San Luis Obispo Counties	Exempt Facility Revenue Bonds	Variable	Repay loans that were made by institutional lenders to reimburse certain banks that had provided letters of credit in support of prior bond issues by CPCFA in 1996 & 1997.	This project is estimated to save ratepayers approximately \$70 million, on a present value basis, over the next 21 years. The State's Office of Ratepayer Advocates has provided a letter supporting the bond issue for PG&E.	\$453,550,000	\$0
City of El Segundo	El Segundo	ISRF	2.87%	Construction of new arterial roadway to connect two discontinuous segments of Douglas Street north of Rosecrans Avenue via an underpass under existing railroad and light rail facilities, and the construction of a park and ride lot and a pedestrian bridge to access the Metropolitan Transportation Authority's Green Line.	The project will ease the flow of traffic through the City, facilitate the development of nearby commercial property, and assist with public safety and health care delivery by reducing emergency response times by as much as 50%. The project will also enhance access to public transit, and permit the future development of brownfield land in the area. The project is estimated to create approximately \$5,317,406 in construction payroll and 122 construction jobs on a person year basis.	\$10,000,000	\$22,543,042

Appendix 2
Report of Loans Approved and Bonds Sold
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Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Employment Impact) ⁴	Financing Amount	Leverage
City of Laguna Beach	Laguna Beach	ISRF	2.73%	Installation of lift station improvements comprised of an 80-kilowatt diesel generator and a structure to house the generator.	This augmentation to a previously approved loan will provide health and safety benefits through the elimination of raw sewage spills that have lead to beach closures and impacts to area tourism. The project is estimated to create approximately \$611,772 in construction payroll and 13 construction jobs on a person year basis.	\$3,000,000	\$4,156,408
TOTAL						\$2,492,597,000	\$312,263,515

Appendix 3
Statement of Revenues, Expenses, and Changes in Net Assets
of the
California Infrastructure and Economic Development Bank
(A Component Unit of the State of California)
For Fiscal Year 2004/2005

	California Infrastructure and Economic Development Bank Fund	California Infrastructure Guarantee Trust Fund	Total
OPERATING REVENUES			
Interest on loan repayments	\$ 7,749,686		\$ 7,749,686
Investment income	1,534,537	\$ 453,216	1,987,753
Administration fee revenue	1,318,010		1,318,010
Total operating revenues	<u>10,602,233</u>	<u>453,216</u>	<u>11,055,449</u>
OPERATING EXPENSES			
Program support ⁶	1,597,569		1,597,569
Interest on bond debt	1,994,303		1,994,303
Amortization of bond issuance costs	59,126		59,126
Total operating expenses	<u>3,650,998</u>		<u>3,650,998</u>
OPERATING INCOME	<u>6,951,235</u>	<u>453,216</u>	<u>7,404,451</u>
NET ASSETS, Beginning of year	<u>206,080,663</u>	<u>20,256,297</u>	<u>226,336,960</u>
NET ASSETS, End of year	<u>\$ 213,031,898</u>	<u>\$ 20,709,513</u>	<u>\$ 233,741,411</u>

Source: California Infrastructure and Economic Development Bank audited Financial Statements.

⁶ The Statement of Revenues, Expenses and Changes in Net Asset is prepared on an accrual basis of accounting in accordance with generally accepted accounting principles. Program support expenses represent administrative expenses of the I-Bank. For the fiscal year ended June 30, 2005, Program support expenses were \$2,692,776 net of a reversal of an estimated accrual of \$1,095,207 for Prorata administrative costs charged to the I-Bank from the State.